

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

**APPLICATION REQUIREMENTS FOR LICENSURE UNDER THE
CREDIT REPAIR SERVICES ORGANIZATIONS ACT**

The following **must** be submitted before this application will be accepted for filing and processing:

- A check or money order payable to the Office of Financial Institutions in the amount of **\$500** for licensing fee.
- Completed, signed, and notarized application with all attachments.
- A list of additional locations where the applicant intends to engage in the business of credit repair services. Include complete physical/municipal address, phone number and manager.
- Surety Bond filed with the Commissioner, in favor of the State of Louisiana in the amount of \$25,000 **Attachment [E]** or a trust account in a like amount. (LSA-R.S. 3573.4(A)). **Attachment [F]**
- Agent for Service of Process and Acknowledgement, signed and notarized. **Attachment [G]**
- Financial Statement including balance sheet and statement of income and expenses signed by an officer of the company.
- A copy of the proposed contracts to be used between the licensee and buyer(consumer).
- A copy of the proposed disclosure statements.
Refer to LSA-R.S. 9:3573.6 which requires specific disclosures, and LSA-R.S. 9:3573.7 which requires specific forms and terms of contracts. Refer to these sections of the Act when formulating your disclosure statement and contracts. Information within quotes must be stated precisely.
- Any advertisement to be approved by this office prior to printing.
- One of the following:
 1. A full and complete disclosure of any litigation or unresolved complaint filed with any governmental authority of this state relating to the operation of the credit repair services organization.
(R.S.3573.5(A)(4)(a)), or
 2. A notarized statement that there has been no litigation or unresolved complaint filed with any governmental authority of this state relating to the operation of the credit repair services organization.
(R.S.3573.5(A)(4)(b))

We also encourage you to contact the Federal Trade Commission at 1-877-382-4357 or visit their web site at www.ftc.gov to obtain copies of the federal Credit Repair Organizations Act and the Telemarketing Sales Rule. Both publications discuss the collection of advance fees. In particular, Section 404(b) of the Credit Repair Organizations Act prohibits a credit repair organization from charging or receiving any money or other valuable consideration for the performance of any service which the credit repair organization has agreed to perform for a consumer before such service is fully performed.

Contact person regarding this application: Sandra Ledoux (225) 922-0638.

Applications may be hand delivered or mailed:

**Office of Financial Institutions
8660 United Plaza Boulevard – 2nd Floor
Baton Rouge, LA 70809**

**Office of Financial Institutions
P. O. Box 94095
Baton Rouge, LA 70804-9095**

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

CREDIT REPAIR SERVICES ORGANIZATION

1. Who must register and be licensed under this Act?

“Credit Repair Services Organization” means a person who, with respect to a buyer, in return for payment of money or other valuable consideration, directly or indirectly, provides or represents that he can or will, directly or indirectly, provide any of the following services:

- (a) Improving a buyer’s credit record, history, or rating.
- (b) Advice or assistance to a buyer with regard to improving a buyer’s credit record, history, or rating including the sale of a self-help instructional guide.

2. How long does it take to be licensed by OFI?

If all information and documentation are submitted correct at the initial receipt of the application then normal licensure time is approximately 60 days of the completion of the application. It is imperative for all applicants to be thorough and timely in the submission of their application for licensure in order for the Office to efficiently expedite the licensing time. Please remember that you, the applicant, controls the licensure time by your thoroughness and correctness in filing the initial application.

3. How much does it cost to be licensed by OFI?

The Office of Financial Institutions shall charge each credit repair services organization that files a registration statement and application for licensing a fee of \$500 to cover the cost of the initial filing.

4. When must the license be renewed and what is the cost?

No later than November 1st of each year. The renewal fee is \$400.

5. May a licensee operate while waiting for licensing to be complete?

No person shall engage in the business of operating a credit repair services organization without first having obtained a license from this Office.

6. May a licensee operate in more than one location?

Yes. However, all addresses from which the organization operates must be reported.

7. How much can I charge for my credit repair services?

The Act does not limit the amount; however, they should be reasonable. In addition, you may not charge or receive any money or other consideration or thing of value for credit repair services **before** such service is fully performed.

8. What if I cease doing business as a credit repair services organization?

You must notify the commissioner in writing within 30 days after it has ceased to do business in the state. The bond or trust account shall be maintained until 2 years after the date that the credit repair services organization ceases operations or the date that it has filed notice with OFI, whichever is later.

9. What are the bonding requirements?

A surety bond or trust account in the amount of \$25,000 written in favor of the State of Louisiana for the benefit of any person who is damaged by any violation of this Act.

10. Who are the people with whom I'll be interacting?

The Commissioner of Financial Institutions, John Ducrest, is responsible for all the facets of the agency. Chief Examiner, Ann Lemenager, oversees all operations in the Non-Depository Institutions Division. Review Examiner, Susan Jandle, handles questions regarding examinations. Administrative Specialist, Sandra Ledoux, is in charge of the administrative review of the application. Of course, all employees are willing to assist you in any way possible. If you have any questions, please call Sandra Ledoux at (225) 922-0638.

INSTRUCTIONS UNIFORM APPLICATION FOR LICENSURE

This application will not be considered complete until this Office receives all fees and required information. Failure to provide all documentation will result in increased processing time and possible denial of the application. All blanks must be completed. If N/A, so state.

- No. 1 Full legal name of entity. The only instance, in which the "applicant" may be a natural person, is if the applicant is a sole proprietorship. Otherwise, the "applicant" is a separate legal entity that will be conducting business. The name inserted on this line must be **identical** to the name filed with the Secretary of State in the state in which you are applying.
- No. 2 If applicant operates under a trade or assumed name, the name inserted on this line must be **identical** to the name that appears on the certificate of registration filed with the proper state authority in which the applicant is applying (e.g. Secretary of State).
- No. 3 Street address of the office location, that will appear on the face of the license.
- No. 4 The mailing address of the applicant, if different from No. 3. If same, so state.
- No. 5 Main office phone number, fax number, web site and/or e-mail address.
- No. 6 Check the type of organization. Attach copies of Certificate of Authority, Articles of Incorporation or Organization, Partnership Agreement and Bylaws, whichever is applicable.
- No. 7 Insert the state in which the applicant was originally registered and date that the applicant was incorporated, organized or formed.
- No. 8 Out-of-state applicants must submit documentation evidencing that your company/entity is authorized to do business in the state in which you are applying. (Registration Certificate from the proper authority such as the Secretary of State)
- No. 9 Self-explanatory
- No. 10 Self-explanatory
- No. 11 Complete name, address, and phone number of the Registered Agent for Service of Process. (Sole Proprietor's put "N/A.") Registered Agent must be a person located in the state in which you are applying.
- No. 12 Self-explanatory
- No. 13 Self-explanatory
- No. 14 Self-explanatory
- No. 15 List the states in which the applicant/registrant is conducting or has conducted similar mortgage business.
- No. 16 List the name, title, complete address, and percentage of ownership of each director, manager, member, partner and all 10% or greater equity owners. Additional sheets may be copied and attached, if necessary. For purposes of this application, "equity owners" includes stockholders, members, partners, or limited partners that own equity in the business seeking licensure. If applicant is a subsidiary, list requested information for parent company.
- No. 17 Self-explanatory
- No. 18 Information concerning the parent company, if the applicant is a subsidiary and an organizational chart.

ALL ATTACHMENTS MUST BE SUBMITTED

REVISED 08/10/2004	UNIFORM APPLICATION FOR LICENSURE			TYPE OF LICENSE APPLIED FOR:
1.	Full legal name of applicant: <i>(attach secretary of state certificate from the state in which you are applying)</i> :			
2.	Trade name, d/b/a, or assumed name of applicant, if applicable: <i>(attach registration documentation/certificate)</i>			Fed. Tax I.D.#:
3.	Principal office street address:			
	City:	State:	Zip Code:	
4.	Mailing address (street or post office box):			
	City:	State:	Zip Code:	
5.	Business phone number:		Business fax number:	
	E-mail address:		Web site: www.	
6.	Type Of Organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> Other (Explain)	
7.	State/Commonwealth of Incorporation:		Date of Incorporation/Organization:	
8.	If a foreign corporation or other type of legal entity, state the date that the entity filed with the proper state authority in which the applicant is applying. (e.g. secretary of state), if so required:			
9.	Physical address of location at which the official books and records of the applicant are kept:			
	City:	State:	Zip Code:	Phone No:
10.	Does applicant engage in <u>any activity</u> through electronic or automated mediums, such as the internet? () If yes, attach description of activity and web site address () No			
11.	Registered agent for service of legal process: <i>(must be located in state/commonwealth in which you are applying)</i>			
	Name:			
	Mailing Address:			
	City:	State:	Zip:	Phone Number:
12.	Person authorized to answer questions pertaining to this application:			
	Name:		Title:	
	Address:			
	City:	State:	Zip Code:	Phone No:
	E-Mail Address:		Fax No:	

13.	Person authorized to answer regulatory compliance issues:				
	Name:			Title:	
	Address:				
	City:	State:	Zip Code:	Phone No:	
	E-Mail Address:		Fax No:		
14.	Person authorized to answer consumer complaints:				
	Name:			Title:	
	Address:				
	City:	State:	Zip Code:	Phone No:	
	E-Mail Address:		Fax No:		
15.	List all states in which applicant is conducting or has conducted business related to this application: (attach list if necessary)				
	State or states in which business is/was conducted	Type of business conducted	Names under which applicant <u>is</u> or <u>has</u> operated	Original license date	Active or Inactive
16.	List all principal officers and title held, directors, partners, and members. (attach addendum if necessary)				
Name & Title		Principal Office Address		% Ownership	
Name & Title		Principal Office Address		% Ownership	
Name & Title		Principal Office Address		% Ownership	
Name & Title		Principal Office Address		% Ownership	
Name & Title		Principal Office Address		% Ownership	
List all persons that have a 10% or greater equity interest not listed above.					
Name		Principal Office Address		% Ownership	
Name		Principal Office Address		% Ownership	
Name		Principal Office Address		% Ownership	

17.	Read the following questions carefully. If the answer is yes to any of the questions, attach a full written explanation. Include names, dates, court name and address, case number, judgement amounts.		
A.	Are there any civil or criminal proceedings pending against the applicant <u>or</u> civil or criminal convictions, plea of nolo contendere or plea to lesser charge entered against the applicant that involve theft, fraud, dishonest dealings or moral turpitude?	() Yes, attach explanation () No	
B.	Has the applicant ever been the subject of a bankruptcy, assignment for the benefit of creditors, receivership, conservatorship, or any similar proceeding?	() Yes, attach explanation () No	
C.	Has any other state or federal government agency denied the applicant a license?	() Yes, attach explanation () No	
D.	Is/has the applicant been the subject of any administrative action or enforcement proceeding by any state or federal government agency involving fines, penalties, or the revocation or suspension of any business license or permit?	() Yes, attach explanation () No	
18.	Is applicant a subsidiary?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	Parent company name:		
	Mailing address:		
	City:	State:	Zip Code:
	If applicant's parent company is a corporation, state where and when incorporated.		
	State Incorporated:	Date Incorporated:	
IN ADDITION TO ALL OF THE ABOVE, APPLICANT MUST SUBMIT THE FOLLOWING ATTACHMENTS:			
A.	Certificate of Resolution form stating who can sign official documents on behalf of the applicant.(See Attachment A)		
B.	Biographical / Authority Sheet completed and notarized for everyone listed in #16.(See Attachment B)		
C.	A current 10-year employment/experience form for everyone listed in #16 and sole proprietors.(See Attachment C)		
D.	Residence addresses for the last 10 years for everyone listed in #16.(See Attachment D)		
E.	Provide copies of the following, whichever are applicable: <ol style="list-style-type: none"> 1. Certificate of Good Standing from the Secretary of State or other state authority in which the applicant was originally incorporated or organized. 2. If applicant is a corporation, provide a copy of Articles of Incorporation, including amendments. 3. If applicant is a Limited Liability Company (LLC) provide a copy of the Articles of Organization and operating agreement. 4. If applicant is a general partnership or a Limited Liability Partnership (LLP) provide a copy of the Partnership Agreement. 		

APPLICATION AFFIDAVIT

Signed this _____ day of _____ 20_____.

Name of Company

By:

Signature of Authorized Person

Print Name and Title

STATE OR COMMONWEALTH OF _____
COUNTY /PARISH OF _____

_____ personally came and appeared before me, the undersigned
(authorized person above)
notary, and declared under oath that she/he is the _____ of
(Title)
_____, that she/he is authorized to sign and submit the attached
(Name of Company)
application and that all statements and representations made therein are true and correct to the best of
his/her knowledge, information and belief.

Signature of the authorized person

Sworn to and subscribed before me on this the _____ day of _____ 20_____.

Notary Public

Print Name of Notary Public

(Seal)

My Commission Expires: _____

CERTIFICATE OF RESOLUTION

This form must be completed by all applicants, except sole proprietors, and must include the applicant's full name, including trade name(s), D/B/A name(s), or assumed name(s), if applicable.

This is to certify that at a ☐ Regular or ☐ Special meeting of the ☐ Board of Directors/or ☐ Members/ or ☐ Partners of _____
Name of applicant/company
organized under the laws of the State / Commonwealth of _____ held at
_____, _____, _____
Street address City State Zip Code
on the _____ day of _____, 20____, the following resolution was
duly and legally presented and adopted, to wit:

It being the desire and purpose of _____
Name of applicant/company
to be licensed or registered, BE IT RESOLVED, that _____
Name of authorized representative
who is the _____ of this ☐ limited liability company, ☐ corporation,
Title of authorized person
☐ limited partnership, or ☐ general partnership is, in his/her official capacity, hereby authorized
and directed to prepare, execute, verify, and present to the proper state authorities, for filing, a written
application for licensure or registration. Further, he/she is hereby authorized and empowered to make, sign
and execute all documents pertaining to the application and to perform every act whatsoever as required to
file the application on behalf of _____
Name of applicant/company

AUTHORIZED SIGNATURE

(If corporation, this form must be signed by Secretary)

Print Name

TITLE :

DATE:

Attachment [B]**AUTHORITY TO OBTAIN INFORMATION FROM OUTSIDE SOURCES****THIS FORM MUST BE SUBMITTED FOR EACH PERSON LISTED IN QUESTION # 16**

Name:

Social Security #:

Home Address, City, State, Zip Code:

Date of Birth:

Home Telephone No:

Read the following questions carefully. If the answer is "yes" to any of the questions, attach a full written explanation. Include names, dates, court name and address, case number, judgement amounts.

Have any civil judgments been entered against you during the past 10 years?

() Yes, attach explanation () No

Are there any civil proceedings pending against you or civil judgements entered against you which involve fraud or dishonesty?

() Yes, attach explanation () No

Have you been convicted of or entered a plea of Nolo Contendere to a felony?

() Yes, attach explanation () No

Have you ever been convicted of or entered a plea of Nolo Contendere to any misdemeanor involving theft, fraud, or dishonesty?

() Yes, attach explanation () No

Have you been the subject of a bankruptcy, assignment for the benefit of creditors, receivership, conservatorship, or any similar proceeding?

() Yes, attach explanation () No

Have you been subject to any enforcement proceedings by any State or Federal government agency involving the revocation or suspension of any business, fines or penalties?

() Yes, attach explanation () No

Have you been discharged for cause or been requested to resign from any employment position?

() Yes, attach explanation () No

I hereby authorize the licensing authority, to make inquiries from any financial institution, credit bureau or law enforcement agency for the purpose of determining his/her financial responsibility, character and fitness in connection with an application for a license or registration.

I hereby certify that the information on this form is, to the best of my knowledge, complete and accurate.

Signature

SUBSCRIBED BEFORE ME ON THIS _____ day of _____, 20 _____.

AT: _____, _____
(CITY) (STATE or COMMONWEALTH)**PRINT NAME OF NOTARY PUBLIC:****SIGNATURE OF NOTARY PUBLIC:**

Attachment [C]**EMPLOYMENT/EXPERIENCE HISTORY FOR THE LAST 10 YRS**

Each sole proprietor, officer, director, partner, member, manager and 10% or greater equity owner of applicant must fill out this form. You may submit your own resume' as long as it includes the information listed below. Explain any gaps in work history. *(Attach additional sheets, if necessary)*

NAME: _____

Employer Name and Address	Position/Brief Description of Duties	Start Date	End Date	Reason for Leaving

Attachment [D]**LIST RESIDENTIAL ADDRESSES FOR THE LAST 10 YRS**

Each sole proprietor, officer, director, partner, member, manager and each 10% or greater equity owner of applicant must fill out this form. *(Attach additional sheets, if necessary)*

NAME: _____

Residential Address	Start Date	End Date

CREDIT REPAIR SERVICES SURETY BOND

No. _____

KNOW ALL MEN BY THESE PRESENTS: That we

(Principal-Licensee's Name including trade name or d/b/a)

(Principal's physical location) as Principal,

and _____
(Surety's Name)

(Surety's Address) ()
(Surety's Phone Number)

a corporation duly organized under the laws of the State of _____, which is authorized to engage in the business of insurance in the State of Louisiana, as Surety, are firmly bound to the Office of Financial Institutions of the State of Louisiana, in the full sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000). Principal and Surety bind themselves, their representatives, successors and assigns, jointly and severally by these presents. Whereas, the above bounden Principal has applied to the Commissioner of Financial Institutions of Louisiana for a license to conduct the business of credit repair service organization as required in the Credit Repair Services Organization, LSA-R.S. 9:3573.4, the purpose of which is to secure the compliance by Principal with the terms of said Act and any other legal obligations arising out of the Principal's conduct as a credit repair service organization. This bond is for the benefit of the State of Louisiana and all persons suffering damages by reason of Principal's failure to comply with the aforesaid statute or other legal obligation arising out of Principal's conduct as a credit repair service organization. If Principal shall violate the aforesaid statute, or other legal obligation arising out of its conduct as a credit repair service organization, the Commissioner of Financial Institutions, as well as any person damage as a result of such violate, shall have, in addition to all other legal remedies, a right of action on this bond in the name of the injured party for loss sustained by the injured party.

If the surety herein shall so elect, this bond may be canceled at any time by the surety herein by filing with the Commissioner of Financial Institutions of the State of Louisiana a sixty (60) day written notice of such cancellation, but said surety so filing said notice shall not be discharged from any liability accrued under this bond or which shall accrue herein before the expiration of said sixty (60) day period.

No cause of action shall lie against the surety unless commenced within two years from the date the cause of action accrues against the principal.

Regardless of the number of years this bond shall continue in force and the number of premiums which shall be payable or paid, the surety's total limit of liability shall not be cumulative from year to year or period to period.

Signed at _____, the _____ day of _____, 20_____, in the presence of the subscribing competent witnesses.

By: _____
(If a Corporation, Partnership or LLC)

Signature – Surety Company and Underwriter

Print or type name of signer

(_____) _____
Surety Phone Number

WITNESSES:

ATTACHMENT [F]

IRREVOCABLE POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENT, that the undersigned licensee, does hereby assign or transfer to the Commissioner of Financial institutions, State of Louisiana, and his successors in office, the securities described below, currently outstanding and registered in the name of the undersigned individual or company on the books of the following depository institution located in Louisiana:

(Name of Depository Institution & Branch Address)

The security/account thus transferred is described as follows (include security/account number):

(Account Owner)

The undersigned hereby irrevocably appoints and authorizes the Commissioner, and his successors in office, to transfer the above described security on the books of the institution named above, with power also to appoint and authorize one or more persons as a substitute or substitutes, hereby ratifying and confirming all that shall be lawfully done under authorization herein granted, it being expressly understood that the above appointment, assignment and transfer is for the sole purpose of effecting compliance with the requirements of R.S.9:3573.4 as relates to deposit of securities by persons, partnership, corporations and other legal entities licensed to engage in credit repair in the State of Louisiana under R.S.9:3573.1, et seq. This instrument must not be released without first having received written consent from the Commissioner of Financial Institutions.

WITNESSES:

(Signature if individual applicant or print name of Corporation)

By: _____
(Individual Signing for Corporation or Partnership)

Signed, at _____, Louisiana,
on this the _____ day of _____, 20____

WITNESSES:

By: _____
(Signature and Title of Depository Representative)

(_____) _____
(Depository Phone Number)

ACKNOWLEDGMENT
(for corporations, limited liability companies, trusts and partnerships)

STATE OF _____

PARISH OR COUNTY OF _____

Personally appeared before me, _____, personally known, who after being duly sworn, stated that s/he is _____ of _____ and that for and on behalf of the applicant he executed and delivered the foregoing instrument(s) and that s/he was at the time of the execution thereof authorized so to do, as evidenced by the attached resolution (if a corporation or LLC) or trust document if a trust).

SWORN TO AND SUBSCRIBED BEFORE ME, NOTARY, this _____ day of _____, 20____.

(Notary Public)

AGENT FOR SERVICE OF PROCESS AND ACKNOWLEDGEMENT
(For Corporations, LLC, and all Out-of-State Entities)

Louisiana Agent for Service of Legal Process:

- (a) Name of Agent: _____
- (b) Business Address: _____
- City: _____ State: _____ Zip Code: _____
- (c) Business telephone number: (____) _____

I hereby acknowledge and accept the appointment of registered agent for and on behalf of

Name of Licensee

Signed by: _____
Registered Agent or Authorized Representative

Sworn to and subscribed before me this _____ day of _____, 20_____.

Notary Public

Should the licensee change its Agent for Service of Process, a new acknowledgement form reflecting such change is required to be submitted to this Office.

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

MARCH 6, 2001

POLICY NO. ND-01-01

**RELEASE OF CASH DEPOSITS, SECURITIES, AND TRUST ACCOUNTS PLEDGED TO THE
COMMISSIONER**

PURPOSE:

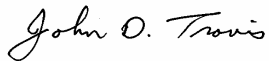
The purpose of this policy is to set forth the circumstances by which cash deposits, securities, and trust accounts pledged to the commissioner by licensees shall be released.

TO WHOM THIS POLICY APPLIES:

This policy applies to all persons who have pledged cash deposits, securities, or trust accounts to the commissioner in conjunction with licensure as Residential Mortgage Lenders, Collection Agencies, Check Cashers, Credit Repair Service Organizations, Loan Brokers, and Sellers of Checks

SPECIFICS:

Any cash deposits, securities, or trust accounts pledged to the commissioner by a person(s) in connection with licensure, shall be released after six months have lapsed since the person(s): surrendered their license, ceased operation, allowed their license to expire, or had their license revoked. In the sole discretion of the commissioner, this period may be extended until such time that the records of the licensee may be examined and he/she may be reasonably certain that claims against the deposit, security, or trust account are a remote possibility. Furthermore, in accordance with this Office's Record Retention Rule, the licensee shall keep and make available all records to verify compliance with applicable statutes and rules until such time as the deposit, security, or trust account is released.



John Travis, Commissioner
DJJ

LOUISIANA REVISED STATUTES
TITLE 9. CIVIL CODE BOOK III
OF THE DIFFERENT MODES OF
ACQUIRING THE OWNERSHIP OF THINGS
CODE TITLE XII—OF LOAN
CHAPTER 2. LOUISIANA CONSUMER CREDIT LAW
PART XV. CREDIT REPAIR SERVICES ORGANIZATIONS ACT
(Current through 2004 Legislative Session)

9:3573.1. Short title; purpose license; renewal; application; change of location; change of name; fees

A. This Part shall be known and may be cited as the "Credit Repair Services Organizations Act".

B. The Legislature of Louisiana recognizes the right of the citizens of the state to utilize the services of qualified credit repair organizations for advice and assistance in improving their credit matters. The Legislature of Louisiana does hereby declare that it is in the best interest of the citizens of the state to protect consumers in their efforts to improve their credit record, history, and rating. The purpose of this Part is to promote the safety and welfare of the people of this state by providing for regulatory oversight in an area in which unqualified or unscrupulous individuals may injure or mislead the public.

C. No person shall conduct business as a credit repair services organization without first having obtained a license from the commissioner and paying a five hundred dollar application fee.

D.(1) No license shall be issued unless the commissioner, upon investigation, finds that the financial responsibility, character, and fitness of the applicant, its owners, its partners if the applicant is a partnership, its members if the applicant is a limited liability company, and its officers and directors if the applicant is a corporation, are such as to warrant a belief that the business will be conducted honestly and fairly within the purposes of this Part. The commissioner may grant restricted or conditional licenses.

(2)(a) Upon written request, an applicant may seek a hearing on the question of his qualification for a license if either:

(i) The commissioner has notified the applicant in writing that his application has been denied.

(ii) The commissioner has not issued a license within sixty days of the date a complete application was filed.

(b) A request for a hearing may not be made more than thirty days after the applicant has received the written notice notifying him that the application was denied and stating the commissioner's findings in support of the denial of the application.

E. Every application for a license shall contain such information as the commissioner may require to determine if the applicant qualifies for a license.

F. Annually by November first each credit repair services organization shall file a renewal application and pay a renewal fee of four hundred dollars. An annual renewal application received by the commissioner postmarked after December first shall be accompanied by a late filing fee of two hundred dollars, in addition to the annual renewal fee.

G. If the annual renewal application and renewal fee is not received postmarked by December thirty-first, the license shall lapse without a hearing or notification, and the license shall not be reinstated; however, the person whose license has lapsed may apply for a new license. No new license shall be issued upon the filing of a new application by any person against whom any penalty or fee has been imposed unless and until such penalty or fee previously accrued under this Section has been paid.

H. A license cannot be sold or transferred by any means.

I. A credit repair services organization shall not change location or change its name without prior written approval of the commissioner. A fee of one hundred dollars is required to change a location or name. In addition to the one hundred dollar fee, a penalty of two hundred dollars shall be paid if prior written approval is not obtained.

9:3573.2. Definitions; exemptions

A. As used in this Part, the following terms shall have the following meanings:

(1) "Buyer" means an individual who is solicited to purchase or who purchases the services of a credit repair services organization.

(2) "Commissioner" means the commissioner of the office of financial institutions.

(3) "Consumer reporting agency" shall have the meaning assigned by Section 603(f), Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.).

(4) "Credit repair services organization" means a person who, with respect to a buyer, in return for the payment of money or other valuable consideration, directly or indirectly, provides or represents that he can or will, directly or indirectly, provide any of the following services:

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

(a) Improving a buyer's credit record, history, or rating.

(b) Advice or assistance to a buyer with regard to improving a buyer's credit record, history, or rating, including the sale of a self-help instructional guide.

(5) "Person" means an individual, corporation, partnership, trust, association, joint venture pool, syndicate, sole proprietorship, unincorporated organization, or any other form of entity not specifically listed herein.

B. The following are exempt from this Part:

~~(1) A nonprofit or charitable corporation or association engaged in debt adjusting which is exempt from the provisions of R.S. 14:331.~~

(2) A licensed lender or other person authorized to make or broker loans or extensions of credit under the laws of this state or the United States who is subject to regulation and supervision by this state or the United States, or a lender approved by the United States Secretary of Housing and Urban Development for participation in a mortgage insurance program under the National Housing Act (12 U.S.C. Section 1701 et seq.), provided the credit repair service is in connection with a loan and no additional fee is charged.

(3) A bank or savings association whose deposits or accounts are federally insured or a wholly-owned subsidiary of such a bank or savings association.

(4) A credit union doing business in this state.

(5) A person licensed to practice law in this state while acting within the course and scope of the person's practice as an attorney, and when such attorney is not actively and principally engaged as a credit repair services organization and such attorney's credit repair services are ancillary to the providing of other legal services.

(6) A consumer reporting agency.

(7) Certified public accountants licensed to practice their profession in the state of Louisiana, while acting within the course and scope of their practice as a certified public accountant, and when such certified public accountant is not actively and principally engaged as a credit repair services organization and such certified public accountant's credit repair services are ancillary to the providing of other accounting services.

9:3573.3. Prohibited conduct

A credit repair services organization or a salesperson, agent, or representative of a credit repair services organization, who sells or attempts to sell the services of a credit repair services organization shall not:

(1) Charge a buyer or receive from a buyer money or other valuable consideration unless the credit repair services organization has obtained, in accordance with R.S. 9:3573.4, a surety bond issued by a surety company authorized to do business in this state or has established and maintains a trust account at a federally insured bank or savings association located in this state in which the amount required by R.S. 9:3573.4(E) is held in trust as required by R.S. 9:3573.4.

(2) Make or use a false or misleading representation in the offer or sale of the services of a credit repair services organization, including guaranteeing to "erase bad credit" or words to that effect unless the representation clearly discloses that this can be done only if the credit history is inaccurate or obsolete.

(3) Engage, directly or indirectly, in a fraudulent or deceptive act, practice, or course of dealing in connection with the offer or sale of the services of a credit repair services organization.

(4) Make or advise a buyer to make a statement with respect to a buyer's credit worthiness, credit standing, or credit capacity that is false or misleading or that should be known by the exercise of reasonable care to be false or misleading to a consumer reporting agency or to a person who has extended credit to a buyer.

(5) Advertise or cause to be advertised, in any manner whatsoever, the services of a credit repair services organization without filing a registration statement with the office of financial institutions, unless otherwise provided by this Part.

(6) Make nonessential requests for credit information relating to a buyer from any source providing such information for no cost.

(7) Directly or indirectly, as determined by the commissioner through any affiliated, subsidiary, related person, or otherwise, charge or receive any money or other consideration or thing of value for the performance of any service which the credit repair services organization has agreed to perform, or represented that it will perform, for any buyer before such service is fully performed.

(8) As determined by the commissioner, structure a transaction with a buyer in such a manner as to attempt to circumvent the provisions of this Part.

(9) Divide a transaction into multiple transactions, as determined by the commissioner, such as by attempting to sell or selling any publication, including but not limited to any book, pamphlet, or electronic or computer guide, related in any way to improving a buyer's credit record, history, or rating, to a buyer and, directly or indirectly, through an affiliate, subsidiary, related person, or otherwise, providing services to the buyer to assist him in utilizing or implementing the information or directions contained therein, unless all charges and fees related to such sale and service combined do not exceed the bona fide costs for publishing the copy of such publication.

(10) As determined by the commissioner, violate any provision of the federal Credit Repair Organizations Act, 15 U.S.C. 1679 et seq, as amended. Any violation of such Act shall constitute a violation of state law.

9:3573.4. Bond; trust account

A. All credit repair services organizations required to be licensed by the commissioner shall obtain a surety bond issued by a company licensed to do business in Louisiana or establish a trust account as provided in this Section.

B. ~~A copy of the~~ The bond shall be filed with the Office of Financial Institutions. If a trust account is established, a notarized or otherwise official notification of the deposit by the depository institution shall be filed with the Office of Financial Institutions. Such notification shall include, at a minimum, the name of the financial institution, name of the credit repair services organization, account number, and verification that the account is established in accordance with the terms set forth in this Section.

C. The bond or trust account required must be in favor of the state of Louisiana for the benefit of any person who is damaged by any violation of this Part.

D. Any persons claiming against the bond or trust account for a violation of this Part may maintain an action at law against the credit repair services organization and against the surety or trustee. The surety or trustee shall be liable only for damages awarded under R.S. 9:3573.10 and not the punitive damages permitted under that Section. The aggregate liability of the surety or trustee to all persons damaged by a credit repair services organization's violation of this Part shall not exceed the amount of the bond or trust account.

E. The bond or the trust account shall be in the amount of twenty-five thousand dollars.

F. A depository holding money in a trust account under this Part may not convey money in the account to the credit repair services organization that established the account or a representative of the credit repair services organization unless the credit repair services organization or representative presents a statement issued by the office of financial institutions indicating that R.S. 9:3573.5(E) has been satisfied in relation to the account. The office of financial institutions may conduct investigations and require submission of information as necessary to enforce this Subsection.

G. The credit repair services organization shall notify the commissioner in writing within thirty days after it has ceased to do business in this state. The surety bond or trust account shall be maintained for two years after the date that the credit services organization ceases operations or the date that it has filed notice with the Office of Financial Institutions, whichever is later.

9:3573.5. Registration

A. A credit repair services organization shall file a registration statement with the Office of Financial Institutions before conducting business in this state, and annually thereafter not later than December thirty-first of each year. The registration statement shall contain:

(1) The name and address of the principal place of business of the credit repair services organization.

(2) Whether the business will be operated as a corporation, partnership, association, or sole proprietorship.

(a) If operated as a corporation, the name and address of each director of the corporation, each officer of the corporation, and any person who directly or indirectly owns or controls ten percent or more of the outstanding shares of stock in the credit repair services organization.

(b) If operated as a partnership, the name and address of each partner.

(c) If operated as an association, the name and address of each of its members.

(3) The name and address of the credit repair services organization's agent in the state authorized to receive service of process.

(4) Either:

(a) A full and complete disclosure of any litigation or unresolved complaint filed with any governmental authority of this state relating to the operation of the credit repair services organization.

(b) A notarized statement that there has been no litigation or unresolved complaint filed with any governmental authority of this state relating to the operation of the credit repair services organization.

(5) Any other information that may be required by the commissioner.

B. The credit repair services organization shall update the statement within ninety days after the date on which a change in the information required in the statement occurs.

C. Each credit repair services organization registering hereunder shall maintain a copy of the registration statement in the files of the credit repair services organization. The credit repair services organization shall allow a buyer to inspect the registration statement on request.

9:3573.6. Disclosure statement

A. Before executing a contract or agreement with a buyer or receiving money or other valuable consideration, a credit repair services organization shall provide the buyer with a statement in writing, containing:

(1) A complete and detailed description of the services to be performed by the credit repair services organization for the buyer and the total cost of the services.

- (2) A statement explaining the buyer's right to proceed against the bond or trust account required by R.S. 9:3573.4.
 - (3) The name and address of the surety company that issued the bond or the name and address of the depository and the trustee and the account number of the trust account.
 - (4) A complete and accurate statement of the buyer's right to review any file on the buyer maintained by a consumer reporting agency, as provided by the Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq.).
 - (5) A statement that the buyer's file is available for review from the consumer reporting agency at no charge, under certain circumstances, if requested by the consumer within thirty days of receiving notice of a denial of credit and as provided in the federal Fair Credit Reporting Act.
 - (6) A complete and accurate statement of the buyer's right to dispute directly with the consumer reporting agency the completeness or accuracy of an item contained in a file on the buyer maintained by that consumer reporting agency.
 - (7) A statement that accurate information cannot be permanently removed from the files of a consumer reporting agency.
 - (8) A complete and accurate statement of when consumer information becomes obsolete and of when consumer reporting agencies are prevented from issuing reports containing obsolete information.
 - (9) A complete and accurate statement of the availability of nonprofit credit counseling services.
- B. The credit repair services organization shall maintain on file, for a period of two years after the date the statement is provided, an exact copy of the statement, signed by the buyer, acknowledging receipt of the statement.

9:3573.7. Form and terms of contract

- A. Each contract between the buyer and a credit repair services organization for the purchase of the services of the credit repair services organization must be in writing, dated, signed by the buyer, and must include:
- (1) A statement in type that is boldfaced, capitalized, underlined, or otherwise set out from surrounding written materials so as to be conspicuous, in immediate proximity to the space reserved for the signature of the buyer, as follows: "You, the buyer, may cancel this contract at any time before midnight of the fifth day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right."
 - (2) The terms and conditions of payment, including the total of all payments to be made by the buyer, whether to the credit repair services organization or to another person.
 - (3) A full and detailed description of the services to be performed by the credit repair services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated length of time, not to exceed one-hundred eighty days, for performing the services.
 - (4) The address of the credit repair services organization's principal place of business and the name and address of its agent in the state authorized to receive service of process.
- B. The contract must have attached two easily detachable copies of a notice of cancellation. The notice must be in boldfaced type and in the following form:

"Notice of Cancellation"

You may cancel this contract, without any penalty or obligation, within five days after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within ten days after the date of receipt by the seller of your cancellation notice.

To cancel this contract, send by registered or certified mail, return receipt requested, or deliver in person, a signed dated copy of this cancellation notice, or other written notice to:

(Name of seller) at (address of seller) (place of business) not later than midnight (date).

I hereby cancel this transaction.

(date)

(purchaser's signature)"

C. The credit repair services organization shall give to the buyer a copy of the completed contract and all other documents the credit repair services organization requires the buyer to sign at the time they are signed.

D. The breach by a credit repair services organization of a contract under this Part, or of any obligation arising from a contract under this Part, is a violation of this Part.

9:3573.8. Waiver

A. A credit repair services organization shall not attempt to cause a buyer to waive a right under this Part.

B. A waiver by a buyer of any part of this Part is void.

9:3573.9. Powers of the commissioner

(1) The commissioner shall have the power to examine all books, records, and accounts of all persons regulated under this Part. In addition to maintaining a copy of the contract signed by the buyer and a copy of all correspondence pertaining to the efforts made by the credit repair services organization to improve the buyer's credit rating, the commissioner may prescribe by rule additional record keeping requirements as deemed necessary to determine compliance with this Part.

(2)(a) Each credit repair services organization required to be licensed under this Part shall maintain in its offices such books, records, and accounts of its credit repair services activities as the commissioner may require in order to determine whether such credit repair services organization is complying with the provisions of this Part and the rules and regulations promulgated under the provisions of this Chapter, including but not limited to copies of all documentation regarding customer transactions, itemization of all monies received and disbursed, and documentation showing what services were performed for all monies received.

(b) Such books, records, and accounts shall be maintained separate and apart from any other business which the organization is involved and shall be kept at the location in the state at which the credit repair services activity occurred or at the organization's principal office unless otherwise permitted in writing by the commissioner. If the credit repair services organization's books, records, and accounts are located outside the state, the organization, at the commissioner's option, shall make them available to the commissioner at a location within the state convenient to the commissioner, or pay the reasonable and necessary expenses for the commissioner or his representatives to examine them at the place where they are maintained.

(c) Each reproduction of any book, record, or account shall be treated for all purposes as if it were the original of the same.

B. After notice and opportunity to be heard as provided in the Administrative Procedure Act, the commissioner may revoke or suspend the license of a credit repair services organization that:

(1) Violates, in substance or in form, any of the provisions of this Part or any rule or regulation promulgated, or any order, including a cease and desist order, issued pursuant to this Chapter or the provisions of 15 U.S.C. 1679.

(2) Violates, in substance or in form, any provision of a voluntary consent or compliance agreement which has been entered into with the commissioner.

(3) Has knowingly provided or caused to be provided to the commissioner any false or fraudulent misrepresentation of material fact or any false or fraudulent financial statement, or has suppressed or withheld from the commissioner any information which if submitted by him would have resulted in denial of the license application.

(4) Refuses to permit an examination by the commissioner of his books and affairs or has refused or failed within a reasonable time to furnish any information or make any report that may be required by the commissioner under the provisions of this Part.

(5) Fails to maintain records as required by the commissioner after being given written notice and thirty days within which to correct the failure. The commissioner may grant, on good cause shown, up to two thirty-day extensions within which to correct the recordkeeping violations.

(6) Continues in office any individual with power to direct the management or policies of a person regulated by the Part, including but not limited to any officer, director, or manager, if such individual is convicted of, pleads guilty to, or enters a plea of nolo contendere of any felony under any state or federal law which involves moral turpitude or which involves any aspect of the credit repair services organization business.

(7) Violates any provision of a regulatory or prohibitory statute and has been found to have violated such statute by the governmental agency responsible for determining such violations.

(8) Misrepresents material facts or makes false promises likely to influence, persuade, or induce an applicant into a credit repair services transaction, or pursues a course of misrepresentation through agents or otherwise.

(9) Misrepresents or conceals material facts, terms or conditions of a transaction to which he is a party, pertinent to an applicant for a credit repair services organization.

(10) Knowingly engages in any transaction, practice, or course of business which perpetrates a fraud upon any person in connection with any credit repair services transaction.

(11) Fails to pay any fee or assessment imposed by this Part or by any rule or regulation promulgated in accordance with this Chapter.

(12) Violates, in substance or in form, the written restrictions or conditions under which the license was issued.

(13) Fails, after notice and without lawful excuse, to obey any order or subpoena issued by the commissioner.

(14) Advertises as a credit repair services organization without being properly licensed as required by this Part or advertises as a credit repair services organization in a manner determined by the commissioner, in his discretion, to be in violation of any provision of this Part or any rule or regulation promulgated pursuant to this Chapter or 15 U.S.C. 1679.

C. The commissioner may report egregious violations to the attorney general or to the district attorney of the appropriate parish, who may institute the proper proceedings to enjoin the violation and enforce the penalties provided for this Section.

D. The Office of Financial Institutions may issue advisory opinions and interpretations regarding this part, and such advisory opinions and interpretations shall not be considered rules requiring compliance with the rulemaking process of the Louisiana Administrative Procedure Act. The commissioner and the employees of the Office of Financial Institutions

shall have no liability to any person with respect to an advisory opinion or interpretation issued in connection with this Part.

E. Any person who acts as a credit repair services organization without complying with the provisions of this Part shall be subject to forfeiture of the compensation attributable to a particular client and received by the credit repair services organization in connection with credit repair services activity for that client.

F. All grounds for suspension or revocation listed in Subsection B of this Section are violations of this Part and may serve as the basis for any other enforcement action provided to the commissioner by this Chapter.

G. The commissioner may share information about any particular entity which is licensed by the commissioner in the manner provided for in R.S. 9:3518.1.

H. When the commissioner has cause to believe that any person has violated or is violating any provision of this Part, he may, in addition to the other powers conferred upon him, request such person to file a statement or report in writing under oath or otherwise, on forms prescribed by him, as to all facts and circumstances concerning the sale or advertisement of services by any credit repair services organization and any other data and information he deems necessary.

I. (1) The commissioner shall have the power to issue subpoenas to any person for the purpose of discovering violations in this Part and to require the attendance of witnesses or the production of documents, conduct hearings in aid of any investigation or inquiry, administer oaths, and examine under oath any person in connection with the sale of services by any credit repair services organization.

(2) Service of any notice, order, or subpoena may be made by personal service or certified mail.

J. The commissioner may make and promulgate rules and regulations as he deems necessary to carry out the provisions of this Part, including but not limited to the following:

- (1) Providing for definitions.
- (2) Establishing licensure requirements.
- (3) Providing for bond and trust account requirements.
- (4) Addressing issues regarding transaction disclosures.
- (5) Establishing fees and assessments.
- (6) Addressing issues regarding forms and terms of contracts.
- (7) Providing for administrative and enforcement actions.
- (8) Addressing issues regarding advertising as a credit repair services organization.
- (9) Providing for records retention requirements.

K. The commissioner may enter into cooperative and reciprocal agreements with the regulatory authorities of the federal government or of any state for the periodic examination of persons engaging in the business of credit repair and may accept reports of examination and other records from such authorities in lieu of conducting his own examinations. The commissioner may enter into joint actions with other regulatory bodies having concurrent jurisdiction or may enter into such actions independently to carry out his responsibilities under this Part and assure compliance with the laws of this state.

L. In addition to any other authority conferred upon the commissioner by this Part or this Chapter, the commissioner may order refunds of the unauthorized portion of any fee or charge a person collects in violation of this Part and may impose a penalty not exceeding one thousand dollars per violation upon any person who he has determined to have committed such violation. For purposes of this Subsection, each unauthorized fee or charge shall be considered a violation.

9:3573.10. Action for damages

A. A buyer injured by a violation of this Part or by a credit repair services organization's breach of contract subject to this Part may maintain an action in a court of competent jurisdiction for recovery of actual damages plus costs of suit and reasonable attorney fees, which shall be measured by the time reasonably expended by the consumer's attorney and not by the amount of recovery. In case of an action brought by a buyer, actual damages shall not be less than the amount paid by the buyer to the credit repair services organization.

B. In the event of a willful violation by a credit repair services organization of this Part or of a contract subject to this Part, a person who is injured thereby shall be awarded, in addition to the damages allowable under Subsection A of this Section, an additional amount equal to twice the actual damages awarded under Subsection A of this Section.

C. A person who is entitled to recover damages, costs, or attorney fees from a credit repair services organization may petition the Office of Financial Institutions for relief under any surety bond established pursuant to R.S. 9:3573.4.

9:3573.11. ~~Injunction Orders, injunctions, and publication~~; availability of records to the general public.

A. A buyer may bring an action in a court to enjoin a violation of this Part.

B. The commissioner may, in his discretion, conduct such investigations as he deems necessary to ascertain possible violations of this Part or any rule, regulation, or order promulgated or issued pursuant to this Chapter. Any person who is engaged in or is engaging in or is about to engage in any act or practice which is prohibited by this Part or any rule, regulation, or order promulgated or issued pursuant to this Chapter, or any person who has failed to act or is failing to act

or is about to fail to act under any affirmative duty imposed by this Part or any rule, regulation, or order promulgated or issued pursuant to this Chapter, shall be subject to appropriate action by the commissioner. Such action shall include but shall not be limited to the issuance of orders to cease and desist or to assess civil money penalties, entering into compliance agreements, seeking injunctive relief from a court of competent jurisdiction, or any combination thereof.

C. The commissioner shall make available for inspection by the general public, electronically or otherwise, any and all final orders and/or decisions arising from any violation of this Part, with respect to the following exclusively enumerated actions:

- (1) Cease and desist orders.
- (2) Denial of an application for licensure, notification, or exemption.
- (3) Revocation or suspension of a license, notification, or exemption.
- (4) Assessment of civil money penalties and/or fines.
- (5) Obtaining injunctive relief.
- (6) Unlicensed activities.

9:3573.12. Statute of limitations

An action shall not be brought under R.S. 9:3573.10 or 3573.11 after four years after the date of the execution of the contract for services to which the action relates.

9:3573.13. Criminal penalty

A. A person who willfully violates any provision of this Part is guilty of a misdemeanor and upon conviction may be sentenced to pay a fine of not less than two hundred fifty dollars nor more than five thousand dollars, or to imprisonment not exceeding one year, or both.

B. The commissioner through an administrative action, or the district attorney of any judicial district may maintain an action to enjoin violations of this Part.

C. Costs and reasonable attorney fees shall be awarded to the commissioner or a district attorney in all injunctive actions where the commissioner or district attorney successfully enforces this Part.

9:3573.14. Burden of proving exemption

A. In an action under this Part, the burden of proving an exemption under R.S. 9:3573.2(B) shall be on the person claiming the exemption.

~~B. In order to prove an exemption under R.S. 9:3573.2(B)(1), the person claiming the exemption must provide, in addition to any other requirements listed thereunder, clear and convincing proof to the commissioner that it acts and will act solely for a nonprofit purpose which must be stated in its articles of incorporation and that it has obtained tax exempt status under state and federal law. Only bona fide nonprofit corporations engaged only in debt adjusting shall be eligible to be considered for this exemption. An entity which engages in business as both a debt adjuster exempt from the provisions of R.S. 14:331 and as a credit repair services organization must comply with the provisions of this Part.~~

9:3573.15. Remedies cumulative

The remedies provided by this Part are in addition to any other remedies provided by law.

9:3573.16. Civil money penalties

A person who violates a provision of this Part may be fined up to one thousand dollars for each violation. The commissioner may maintain a civil action in a court of competent jurisdiction to recover such fines, together with his costs and attorney fees incident to such action.

9:3573.17. Notification or service

Whenever a person becomes licensed by the commissioner, pursuant to this Part, such person shall provide a physical address to the commissioner that may be used as a basis for service or notification of any order or other issuance or communication by the commissioner to such person. Whenever such person changes his physical address, he must notify the commissioner at least thirty days prior to the change. Notification or service of any order, notice, or other issuance or communication by the commissioner by certified mail to the address most recently provided to him by the person shall satisfy all requisites of service required for any registration, administrative enforcement, or other action, undertaken by him pursuant to the Louisiana Administrative Procedure Act or otherwise, in connection with such person.

9:3573.18 to 9:3573.26. [Blank]